

Auto

Feb NEV sales fell; more new models from Mar

11 Chinese automakers including BYD, Great Wall, NIO, Xpeng, Li Auto, Zeekr, Aion, Deepal, Neta, Leap and Aito reported their Feb 2024 NEV sales volumes on 1 Mar 2024. Sales volume of the 11 automakers combined fell 19% YoY (ranging from -45% to +503%) and 39% MoM (ranging from -51% to -19%) in Feb 2024 due to the Chinese New Year holiday.

■ **Li Auto rose YoY, Xpeng fell the most MoM.** Li Auto's deliveries rose 22% YoY and fell 35% MoM to about 20,000 units in Feb 2024, in line with our prior expectation. Li Auto's monthly deliveries were surpassed by Aito by about 900 units last month. Li Auto launched its first BEV, the *Mega*, and the facelifted *Li L9*, *L8* and *L7* on 1 Mar 2024. The MSRPs for the Pro versions of the *L7/L8* were raised by RMB10,000 with function upgrade including Lidar and AD Max, while MSRPs for other versions remained unchanged. The company targets 50,000 units deliveries in Mar 2023.

NIO's deliveries fell 33% and YoY 19% MoM to about 8,100 units in Feb, the mildest MoM decline among all the 11 brands, as it pushed sales aggressively at the end of Feb. On the other hand, we are of the view that NIO lacks sales driver amid increasing competition.

Xpeng's deliveries fell 24% YoY and 45% MoM to about 4,500 units last month. Excluding the X9's deliveries of 1,400 units (vs. 2,500 units in Jan), the total sales volume of Xpeng's other models fell 46% MoM to only 3,100 units in Feb, lower than our expectation. Should the sales growth driver only lie on the X9 now, Xpeng's sales may face more challenges this year. Xpeng rolled out XNGP for all cities in China on 29 Feb 2024.

■ **BYD and Great Wall cut inventories in Feb, while Leap, Neta and Deepal were likely restocking.** BYD's wholesale volume fell 36% YoY and 39% MoM to about 0.12mn units in Feb, as it cut inventories at dealers by about 15,000 units on our estimates. BYD unveiled the *Yangwang U9* sportscar on 25 Feb with the MSRP of RMB1.68mn. Great Wall's NEV wholesale volume rose 47% YoY and fell 51% MoM to about 12,000 units on inventory destocking. In contrast, we estimate Leap, Neta and Deepal added inventories at dealers in Feb 2024.

■ **Mar-Apr NEV market share could set the tone for 2024.** We estimate that NEV retail sales volume to be about 0.36mn units in Feb, based on NEV retail sales volume in the first 25 days of Feb. The NEV market share is likely to rise from 29.9% in Jan 2024 to about 32% in Feb 2024. Tesla's retail sales volume in China could be about 30,000 units in Feb on our estimates, down 27% MoM.

NEV sales volume for selected OEMs

Units	Feb 2024	YoY %	MoM %	YTD	YTD YoY %
BYD	121,748	-36.5%	-39.4%	322,767	-5.6%
Great Wall	12,253	46.9%	-51.0%	37,241	154.2%
NIO	8,132	-33.1%	-19.1%	18,187	-12.0%
Li Auto	20,251	21.8%	-35.0%	51,416	61.9%
Xpeng	4,545	-24.4%	-44.9%	12,795	14.0%
Zeekr	7,510	37.7%	-40.1%	20,047	133.9%
Leap	6,566	105.3%	-46.5%	18,843	334.5%
Neta	6,085	-39.6%	-39.3%	16,117	0.2%
Aion	16,676	-44.6%	-33.2%	41,623	8.7%
Deepal	9,994	143.6%	-41.4%	27,036	164.0%
Aito	21,142	503.2%	-35.9%	54,115	578.1%

Source: Company data, CMBIGM

OUTPERFORM
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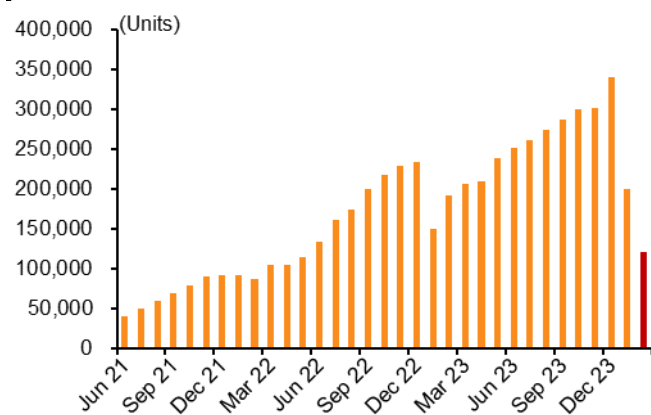
Stocks Covered:

Name	Ticker	Rating	TP (LC)
Li Auto	LI US	BUY	48
Li Auto	2015 HK	BUY	187
NIO	NIO US	HOLD	6.8
Xpeng	XPEV US	HOLD	10.5
Xpeng	9868 HK	HOLD	41
Geely	175 HK	BUY	14
GWM	2333 HK	BUY	13
GWM	601633 CH	BUY	32
BYD	1211 HK	BUY	290
BYD	002594 CH	BUY	300
GAC	2238 HK	BUY	6
GAC	601238 CH	BUY	14
EVA	838 HK	BUY	1.5
Yongda	3669 HK	BUY	2.8
Meidong	1268 HK	BUY	4

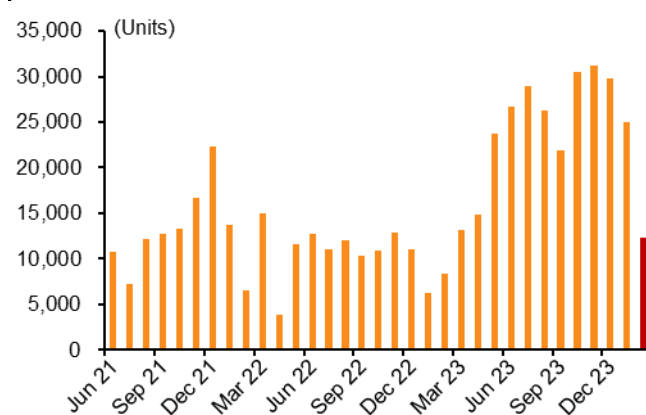
Source: Bloomberg, CMBIGM

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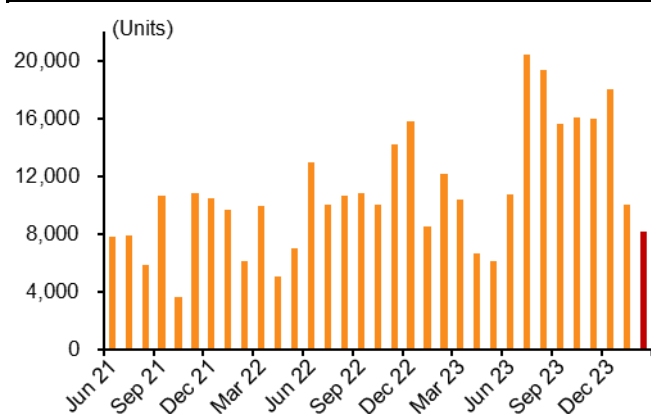
["China Auto Sector – Jan NEV sales in line: more catalysts after CNY" – 2 Feb 2024](#)

Figure 1: BYD's monthly NEV delivery

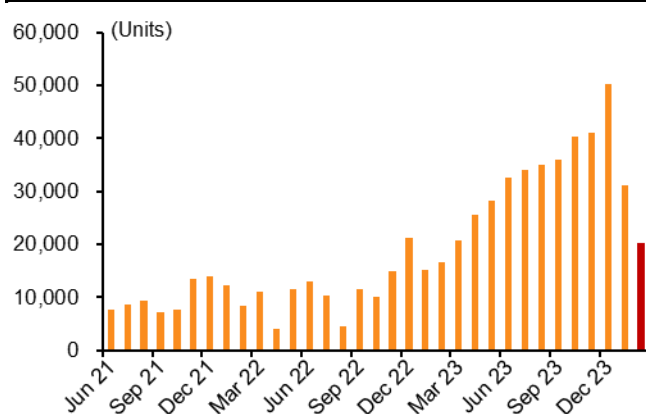
Source: Company data, CMBIGM

Figure 2: Great Wall's monthly NEV delivery

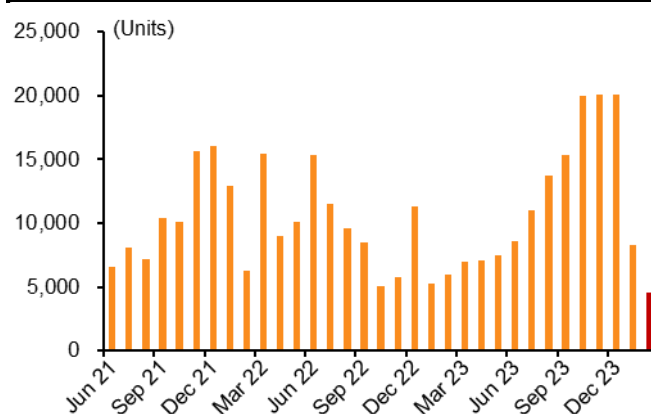
Source: Company data, CMBIGM

Figure 3: NIO's monthly delivery

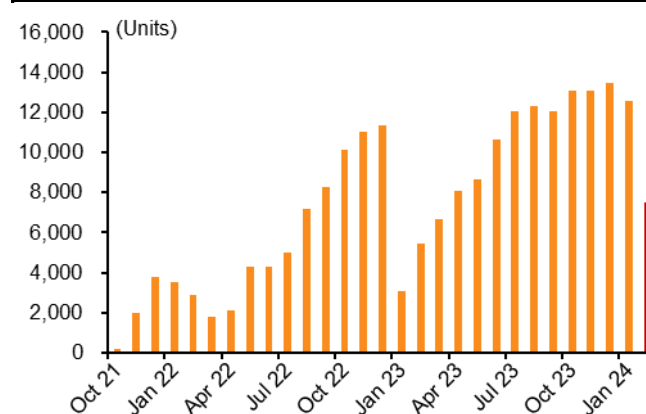
Source: Company data, CMBIGM

Figure 4: Li Auto's monthly delivery

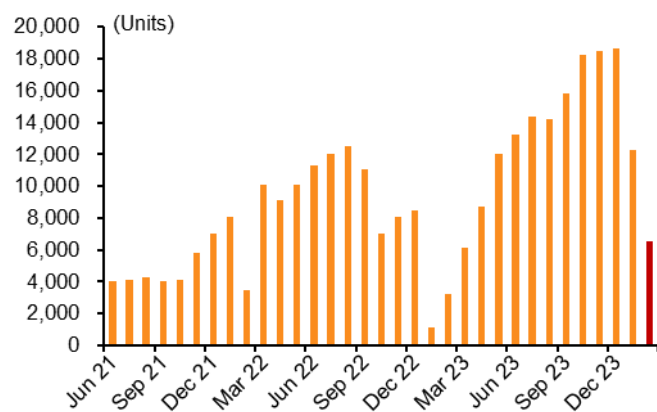
Source: Company data, CMBIGM

Figure 5: Xpeng's monthly delivery

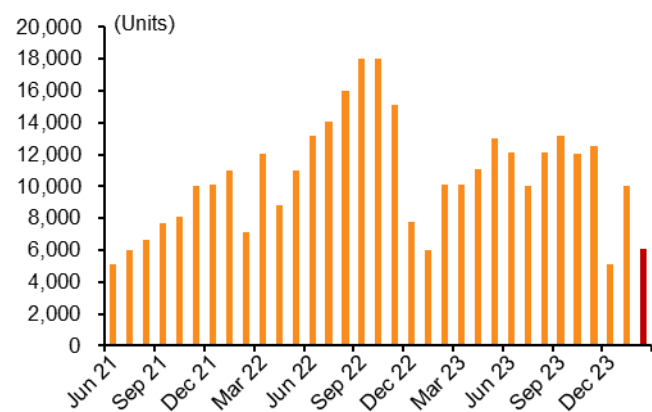
Source: Company data, CMBIGM

Figure 6: Zeekr's monthly delivery

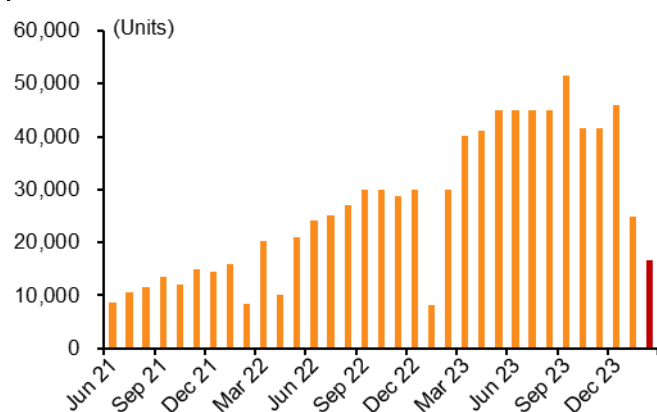
Source: Company data, CMBIGM

Figure 7: Leap's monthly delivery

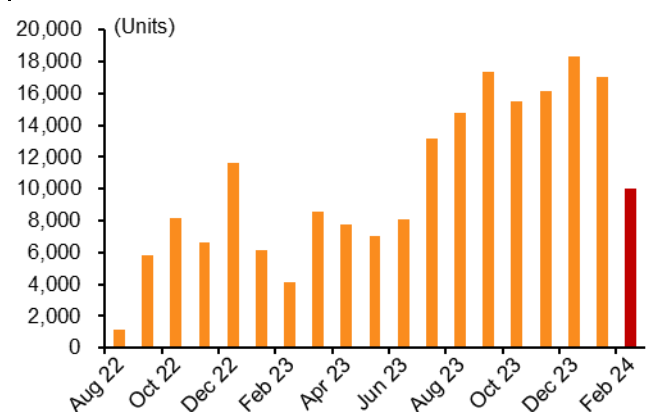
Source: Company data, CMBIGM

Figure 8: Neta's monthly delivery

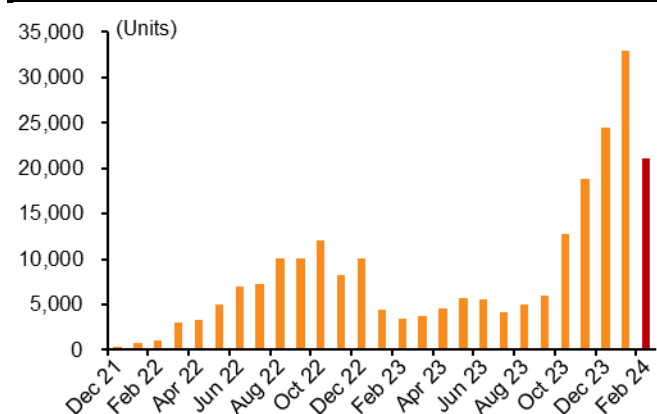
Source: Company data, CMBIGM

Figure 9: Aion's monthly NEV delivery

Source: Company data, CMBIGM

Figure 10: Deepal's monthly delivery

Source: Company data, CMBIGM

Figure 11: Aito's monthly NEV delivery

Source: Company data, CMBIGM

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